



Joan McDonald
Commissioner



State of Connecticut
Department of Economic and
Community Development

***TESTIMONY PRESENTED TO THE COMMERCE COMMITTEE
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*Joan McDonald, Commissioner
Department of Economic and Community Development*

SB 888 AN ACT CONCERNING REGIONAL ECONOMIC DEVELOPMENT

The Department of Economic and Community Development (DECD) offers the following comments on *SB 888 AN ACT CONCERNING REGIONAL ECONOMIC DEVELOPMENT*.

The need for better coordination between the state and its regions is greater now than at any other time in the state's history. Cities and towns have become increasingly reliant upon the state for financial assistance to make critical improvements. We need to insure that we can continue to encourage regional cooperation and assure coordination between the various local, regional and state conservation and development policies. The basis of this linkage must be established on a set of parameters that are both logical and historically and geographically linked.

While DECD conceptually supports the provisions of this bill to foster regional economic development cooperation, we do have several concerns. The bill will empower the regions by creating state approved Economic Development Districts (EDDs) in accordance with federal Economic Development Administration (EDA) guidelines. The benefit to the state is that each EDD will be better able to 1) plan economic development projects and 2) develop and submit funding applications directly to the federal government for financial assistance. Each EDD must have an approved Comprehensive Economic Development Strategy (CEDS) which serves as the master plan for guiding the region's economic development goals. The CEDS is all-inclusive and district-wide self-evaluation process that requires annual updates and ranking of priority projects.

There are 136 communities in the state that are included in one of the eight regional CEDS. There is one draft CEDS that will cover coastal Fairfield County towns and 33 communities not participating in a CEDS.

We have concerns that the current state CEDS regions do not necessarily conform to accepted socio-economic or geo-political boundaries such as county, RPO, or labor market. This presents multiple issues that needs to be managed including:

- a. Each regional CEDS complying with multi-regional conservation and development plans;

- b. Current labor market boundaries may no longer be appropriate parameters for CEDS boundaries;

DECD recognizes that transportation infrastructure is a key element to both community and economic development. A strong link with the regional MPO process for prioritizing federal roadway infrastructure improvements is encouraged, since transportation planning and development and economic development have become inexorably linked. By coordinating regional development on a geographic basis, the state can foster a statewide system of highway and rail improvements that will service not only the existing metropolitan areas but will also promote responsible growth and development through transit oriented design principles, brownfield reclamation and reuse and better use of our natural resources.

DECD also believes as a small state, we should limit the number of EDD's to create true regional economic development organizations. With the EDD designation, the regional economic development organization will be eligible for federal funding for administrative support. With this regional staff, the EDD can better work with their communities to plan projects and attract federal funding from the EDA. This could result in an increase in the amount of project funding that Connecticut receives annually through the EDA.

The Governor and DECD both believe that regionalism is very important to Connecticut's success and will be critical in helping Connecticut to recover from the current recession. This bill is a good step in the right direction to coordinating regional efforts and we look forward to working with the committee to shape this bill to maximize its benefits to Connecticut residents.

Thank you for your time and consideration of my comments.